

Integrating Financial Capability Services into Tribal LIHEAP

Financial capability is the capacity—based on knowledge, skills and access—to manage financial resources effectively. Financial capability services include financial education, financial coaching, financial counseling, credit counseling, credit building, access to safe and affordable financial products, free tax preparation help, access to federal and state benefits, incentivized savings programs and asset ownership programs.¹ Integration refers to incorporating financial capability services directly into existing services that are being provided, rather than creating a standalone program.

Building Financial Capability: A Planning Guide for Integrated Services (the Guide) provides a series of tools to walk organizations through the key decision points for planning to integrate financial capability services into existing programs. Tools from the Guide are highlighted throughout this brief.

The Low-Income Heating and Energy Assistance Program (LIHEAP) is a federally funded program that provides financial support to low-income households to help with heating and energy costs. Indigenous tribes and tribal organizations can apply for a LIHEAP block grant to support the energy needs of households in their community. Tribes and tribal organizations administering supportive services and programs, such as LIHEAP, can integrate financial capability services to improve households' financial lives and help them to meet their financial goals. By providing access to financial capability services in combination with emergency assistance, organizations can help households become more financially stable and better cope with economic challenges—such as job losses or unexpected large expenses. This may help with reducing their dependence on LIHEAP and similar services in the future.

This brief is a companion resource to *Building Financial Capability: A Planning Guide for Integrated Services* (also known as the Guide) and provides real-world examples of financial capability integration efforts. The brief shares lessons and approaches for how tribal-serving organizations can integrate financial capability services into LIHEAP and other emergency assistance services. The brief highlights the experiences of two tribal serving organizations in Alaska that integrated financial capability services: the Kenaitze Indian Tribe and the Aleutian Pribilof Island Association (APIA). It is organized into three sections: understanding households' financial lives, deciding which financial capability services to integrate, and assessing organizational and community capacity to plan for how to deliver services.

¹ United States Department of Health & Human Services. "About Financial Capability Services," *Office of Community Services*, March 29, 2016, <https://www.acf.hhs.gov/ocs/resource/financial-capability-services>.



Understanding Households' Financial Lives

Organizations can learn about households' financial strengths and challenges by assessing their current financial lives. Demographic information and local economic data, as well as information about the households' financial behaviors, challenges and unique characteristics, can help organizations to better understand households. Tribal organizations can get this information in several ways, including reviewing enrollment and application data, conducting interviews or focus groups, and surveying households and frontline staff. Organizations should plan for how they will assess households before they get started to ensure they collect all the important information.

Tool 1: Understanding Households' Financial Lives

Tool 1 from the Guide gives a structure for gathering and distinguishing information about households' financial lives. Appendix B gives sample questions organizations can use to ask questions of their households to complete the assessment.

Lessons from the Field

The Kenaitze Indian Tribe reviewed the demographic data from LIHEAP households' files and interviewed frontline staff and caseworkers to better understand households' financial lives. While going through this process, they learned that the most common challenge LIHEAP households face is that their incomes change throughout the year. Income changes makes it hard to predict how much money the household will have at any given time. There are two reasons why incomes change throughout the year. One reason is that some jobs are only available in the summer and there are fewer jobs in the winter so people make less money. Another reason is that oil corporations in Alaska pay part of the money the company makes to Native Alaskans, but the exact amount the company pays depends on how much money the corporation makes. This amount changes each year. Inconsistent income makes it difficult for households to cover basic needs and plan for the future. Other challenges include high housing costs, transportation, food and other living expenses. For example, food in Alaska is more expensive than other places because 95% of the food is imported. Along with long winters and expensive heating and utilities cost, households rely on supportive services like LIHEAP to make it through the year.

The Aleutian Pribilof Island Association (APIA) is a nonprofit organization that provides educational, mental and physical health, workforce development and many other supportive services to the Aleut people who consist of over 13 tribes in the Eastern Aleutian Peninsula. To begin exploring opportunities for integration, APIA first collected information about the financial challenges and opportunities of households through interviews with community members, tribal council members and potential stakeholders such as fuel vendors, the local school system, the local clinic, and employers in the island community of King Cove, Alaska. APIA's service area includes some of the most remote communities in the United States; some areas are only accessible by commercial fishing boat or by plane and are completely inaccessible during winter months. Through interviews with King Cove residents, APIA learned that the remote environment, high cost of living and limited availability of jobs on the island were primary challenges to households earning and sustaining income.



Determining Which Financial Capability Services to Integrate

Information on households' lives and financial needs can be used to identify which financial capability services are going to be most helpful to them. In some cases, like the Kenaitze Tribe and APIA, organizations providing supportive services to people with limited income may recognize that households could benefit from many or all services to help achieve financial stability. Prioritizing services that could lead to short- and medium-term outcomes can be helpful for streamlining the planning process.

Lessons from the Field

To address short- and medium-term challenges associated with the high cost of living and limited income, the Kenaitze Tribe and APIA planned for connecting households to free tax preparation services and offering benefits screening. Generally, free tax preparation services are available to individuals earning less than \$54,000 annually.² In these programs, trained volunteers prepare individuals' taxes for free. Not only does this save the individual the cost of tax preparation but also ensures that the taxpayer receives all the tax credits available to them, such as the Earned Income Tax Credit.³ Benefits screening is the process by which staff determine local, state and federal benefits, such as food or medical assistance, for which the household may be eligible. Both services help households to save money.

To address uneven income over the year due to unpredictable per capita payments and uneven employment, the Kenaitze Tribe and APIA decided to help households improve their budgeting skills. APIA planned for how to provide financial education and elements of financial coaching—ongoing one-on-one interactions that focus on achieving financial goals—to their LIHEAP households. Staff from the APIA and Kenaitze Indian Tribe attended First Nations Oweesta's train-the-trainer on the [Building Native Communities \(BNC\)](#) financial education curriculum.⁴ This curriculum has been developed specifically for Native populations and is unique because it incorporates traditional native values and culture. The curriculum shows how the values and skills that Native ancestors have used for generations are still relevant and valuable when converting from a subsistence economic model to a Western economic model.

Assessing Organizational and Community Capacity

There are different approaches to integrating financial capability services into existing programs:

- **Refer:** Finding organizations that provide financial capability services and setting up a process for referring households to those services
- **Partner:** Developing partnerships with other organizations to deliver financial capability services in one convenient location or with a shared brand
- **Do-it-Yourself (DIY):** Building the internal capacity to deliver financial capability services

² <https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>

³ <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

⁴ <https://firstnations.org/knowledge-center/financial-education/bnc>



Organizations can also combine these approaches to create a tailored integration plan.

Gathering information about internal capacity and external resources helps organizations decide how to deliver services in a way that meets households where they are. For example, after assessing staff knowledge and funding, an organization may decide to find ways to build internal capacity to deliver services themselves. Alternatively, after conducting a community scan, an organization may determine that it makes sense to build relationships with an entity outside of their organization to connect households with services through partnerships or developing a referral pipeline.

Lessons from the Field

The Kenaitze Tribe gathered information from staff about their capacity and comfort integrating financial capability services into LIHEAP and other programs through group discussions and interviews. They learned that staff were supportive of integrating financial capability services, but were unsure about where to start. They decided to build internal capacity to deliver financial education workshops and help households with budgeting by sending staff to the BNC training and reviewing other financial education curricula and tools.

Group discussions and interviews also revealed that staff were unsure how to collect household data to measure how well the financial workshops were going. Fortunately, the BNC curriculum includes automatic surveys that are emailed to workshop participants three, six, and 12 months after the workshop. The Kenaitze Tribe plans to use these surveys to assess the impact of the workshops in the future.

The Kenaitze Tribe found elders within the Tribe who were willing to serve as financial capability champions by joining the workshops to increase legitimacy with the households, another point of concern raised by staff. These champions are respected members of the Tribe who will participate in workshops by sharing stories about their own financial histories, being available to brainstorm solutions and making connections to resources in the Tribe and in the community at large.

Finally, the Kenaitze Tribe conducted a scan of existing resources in the community. They made a list of all the existing nonprofits, major employers and commercial service providers to identify potential partners and services to connect households to. Ultimately, they decided to partner with local financial institutions that agreed to provide occasional workshops on specific financial topics beyond what the staff was trained to deliver. They also identified local free tax preparation service providers for household referrals in the future.

Given the remote nature of the APIA's island communities, it was important for APIA to gather information about existing resources and identify potential partners to aid in design and delivery of services. The APIA offices are based far from many of the households accessing services, and very few staff live in the communities they serve. Communication with and access to the households in these remote areas can be unreliable, particularly in the winter months. Therefore, coordination among APIA and local agencies will be critical in designing services to meet households where they are. By partnering with local stakeholders to share existing resources, such as building space for workshops and meetings or access to computers and internet, APIA continues to plan for how to provide access to financial capability services, even when they are not able to be physically present where their households are.



About This Brief

The primary audience for this brief is tribal organizations that administer LIHEAP. The secondary audience is tribal organizations that administer financial support programs. This practice brief was produced by Prosperity Now (formerly the Corporation for Enterprise Development) under contract to the Office of Community Services in the Administration for Children and Families, a division of the United States Department of Health and Human Services.

The Kenaitze Tribe and APIA received technical assistance from Prosperity Now and First Nations Oweesta Corporation as they planned to integrate financial capability services. Brief summaries of their work are provided below.

Kenaitze Indian Tribe, located in Kenai, Alaska, has more than 1,600 members living in the Kenai Peninsula and beyond. The Tribe provides a broad array of supportive services in line with their mission of ensuring their people and culture thrive forever. Additionally, the Tribe aims to elevate the wellness of its people, demonstrate resiliency and use its talents and resources to ensure its ability to take care of themselves and share with others, among other core values. To better meet these goals, Tribe members engaged in a planning process to integrate financial capability services into their LIHEAP and emergency service programs. They sought to better understand their households, the specific services that would meet their households' financial needs and the existing organizational and community resources available to support service delivery. Ultimately, they integrated a financial education curriculum into their emergency services through a workshop series, targeting LIHEAP households specifically, and have built relationships with local corporations and financial institutions to better connect their households to resources in the area.

Aleutian Pribilof Island Association (APIA) is the tribal organization of the Aleut people, which consists of over 13 tribes in the Eastern Aleutian Peninsula. APIA provides educational, mental and physical health, workforce development and many other supportive services. The mission of the organization is "to provide self-sufficiency and independence of the Unangan/Unangas by advocacy, training, technical assistance and economic enhancement." In line with this mission, the emergency services department planned to integrate financial capability services into its LIHEAP program. After visiting some of the remote areas in its footprint to talk directly with members of these communities and gain a better understanding of the physical and economic challenges households face, APIA decided to connect households to free tax preparation assistance, financial education and financial coaching through new and existing partnerships.

